

Message Text

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ACTION NEA-16

INFO OCT-01 ISO-00 CIAE-00 DODE-00 NSAE-00 NSCE-00 SSO-00

USIE-00 INRE-00 AEC-11 AID-20 CEA-02 CIEP-02 COME-00

EB-11 FEA-02 FPC-01 H-03 INR-10 INT-08 L-03 NSC-07

OMB-01 PM-07 RSC-01 SAM-01 SCI-06 SP-03 SS-20 STR-08

TRSE-00 SIL-01 LAB-06 PA-04 PRS-01 DRC-01 /157 W

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TO SECSTATE WASHDC NIACT IMMEDIATE 9748

INFO AMEMBASSY JIDDA IMMEDIATE

AMCONSUL DHAHRAN IMMEDIATE

C O N F I D E N T I A L KUWAIT SECTION 1 OF 2 KUWAIT 2170

E.O. 11652: GDS

TAGS: CASC KU SA

SUBJ: KUWAIT SUSPENDS ALL COOPERATION WITH GETTY OIL CO.,
PLANS EXPEL TWO EMPLOYEES.

SUMMARY: GOK HAS INFORMED GETTY OIL CO. MANAGER CHASE THAT GOK WILL CEASE ALL COOPERATION WITH COMPANY AT ONCE UNTIL COMPANY HIRES KUWAITIS AND KUWAITI CONTRACTORS; THAT TWO SENIOR AMERICAN EMPLOYEES MUST LEAVE AT ONCE; THAT GETTY SCHOOLS MUST TAKE IN ALL KUWAITIS IN AREA OF COMPANY; AND THAT PERSONNEL MUST BE PAID IN KUWAITI DINARS. CHASE HAS BEEN UNABLE OBTAIN ANY SAUDI AUTHORIZATION TO MEET KUWAITI DEMANDS AND FEARS GOK MAY DEMAND SUSPENSION LOADING OPERATIONS IN COURSE GOK/GETTY MEETING SCHEDULED FOR MAY 30. PROBLEM APPEARS TO BE BASICALLY KUWAITI/SAUDI CONTROVERSY WITH GETTY AND AMERICANS IN MIDDLE. CHARGE INFORMALLY SAW MIN FINANCE AND OIL ATIQUI WHO ORDERED MEASURES AGAINST GETTY, BUT ATIQUI DECLINED ALTER HIS POSITION. END SUMMARY.

1. GETTY OIL CO. MANAGER JAMES FLETCHER CHASE CALLED AT EMBASSY
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AFTERNOON MAY 29 AND INFORMED US OF BREAKDOWN IN RELATIONS BETWEEN

GETTY OIL CO. (SAUDI CONCESSIONAIRE FOR NEUTRAL ZONE OIL, LOCATED IN KUWAIT TERRITORY) AND GOK. PROBLEMS HAVE PROGRESSIVELY BECOME MORE BITTER FOLLOWING RECENT SAUDI-KUWAITI MEETING AT KHAFJI (LOCATION OF JAPANESE OWNED ARABIAN OIL CO. ON SAUDI SIDE OF BORDER) THAT DID NOT RPT NOT RESOLVE DIFFERENCES. NOT CLEAR WHAT BROUGHT MATTER TO A HEAD AT THIS PARTICULAR TIME.

2. CHASE SAID HE WAS CALLED TO SEE MAHMOUD AL-ADASANI, ASST UNDER SECRETARY FOR OIL AFFAIRS, MIN FINANCE AND OIL (MFO) MAY 28 AND INFORMED AS FOLLOWS:

A. ALL GOK COOPERATION WITH GETTY WOULD BE SUSPENDED UNTIL COMPANY HIRED KUWAITIS AND EMPLOYED KUWAITI CONTRACTORS.

B. TWO EMPLOYEES, ANDERSON AND HOFFMAN, MUST LEAVE KUWAIT OVER WEEKEND (I.E. MAY 30-31).

C. GETTY SCHOOLS MUST ACCEPT ALL KUWAITIS IN AREA OF COMPANY.

D. GETTY MUST PAY ITS PERSONNEL IN KUWAITI DINARS, NOT SAUDI RIALS.

3. CHASE EXPLAINED PROBLEM WAS THAT COMPANY HAD TO WORK UNDER SAUDI GUIDANCE AND THEY WERE UNABLE TO COMPLY WITH KUWAITI DEMANDS. HE HAD TRIED TO CONTACT GETTY OIL REP TO SAG IN RIYADH NABIL ABU SEUD, BUT HE APPARENTLY OUT OF TOWN. LOCAL SAUDI PETMIN OFFICE IN KHAFJI NOTIFIED, BUT RIYADH MAY NOT YET BE INFORMED. SAUDI EMBASSY KUWAIT APPARENTLY USELESS. CHASE SUMMONING GETTY LAWYER SAMI SHAMMA FROM JIDDA AND HE EXPECTED MAY 30 -- BUT HE WILL NOT ARRIVE UNTIL AFTER NEXT MEETING WITH MAHMOUD AL-ADASANI SCHEDULED FOR 0900 LOCAL MAY 30. CHASE SAID ADASANI SHOWED HIM LETTERS FROM MFO ATIQUI TO MINISTRY OF INTERIOR RE EXPELLING ANDERSON AND HOFFMAN AND OTHER LETTERS TO OTHER MINISTRIES INSTRUCTING THEM NOT TO PROVIDE ANY SERVICES OR HAVE ANY RELATIONS WITH GETTY OIL CO.

4. CHASE EXPLAINED PROBLEMS BEING ENCOUNTERED. RE A -- IF THIS CARRIED OUT COMPANY WILL NOT BE ABLE OBTAIN ANY VISAS FOR RETURNING PERSONNEL, RESIDENCE PERMITS, OR CUSTOMS CLEARANCE, SCHOOLS AND HOSPITALS MAY BE CLOSED DOWN. THIS MEANS NO REPLACEMENTS CAN
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COME IN, SO NO PERSONNEL CAN BE ALLOWED ON LEAVE (CHASE SAID HOWEVER THAT HE DOUBTS KUWAITIS WOULD TRY TO KEEP RETURNING SAUDIS OUT.) RESIDENT PERMITS FOR ABOUT 20 STAFF WILL EXPIRE SHORTLY (ABOUT TWO WEEKS) AND IF RENEWALS NOT GRANTED EMPLOYEES WILL HAVE TO LEAVE. CHASE FEARS KUWAITIS WILL PROHIBIT LOADING OPERATIONS ALSO, BUT THIS NOT YET CLEAR. RE B -- THERE ARE NO CHARGES OF ANY SUBSTANCE AGAINST ANDERSON AND HOFFMAN. ONE KUWAITI OFFICIAL TOLD CHASE ANDERSON "HATES ARABS" AND HOFFMAN

EXPELLED FROM LIBYA SO HE SHOULDN'T BE ALLOWED IN KUWAIT (CHASE SAYS THIS NOT TRUE, HE RESIGNED.) HOFFMAN IN FACT ON LEAVE OUT OF KUWAIT AT PRESENT; HOWEVER BOTH HOFFMAN AND ANDERSON ARE KEY MEN AND WILL BE SORELY MISSED. RE C -- CHASE EXPLAINED THAT GETTY EXECUTIVE COMMITTEE, WHICH INCLUDES TWO SAUDIS, ONE OF THEM DEPUTY PETMIN, HAD DECIDED GETTY SCHOOLS SHOULD TAKE ONLY THOSE PERSONS IN AREA WHO WERE "ELIGIBLE" I.E. HAD SOME CONNECTION WITH COMPANY AND NOT ALL KUWAITIS IN AREA AS GOK IS INSISTING. CHASE SAID HE HAD NO OBJECTION, BUT HE HAD TO CARRY OUT INSTRUCTIONS. RE D -- CHASE WOULD AGREE TO PAY IN ANY CURRENCY DESIRED, BUT SAUDI INSTRUCTIONS WERE TO PAY IN RIALS.

5. CHASE SAID HE WAS GOING TO APPOINTMENT WITH MAHMOUD AL-ADASANI MAY 30 WITH SOME TREPIDATION AS HE HAD NO RPT NO INSTRUCTIONS FROM SAG THAT ALLOWED HIM ANY LEEWAY. HE PROMISED TO KEEP EMBASSY INFORMED.

6. FOLLOWING MEETING WITH CHASE, CHARGE ATTENDED FORMAL DINNER IN HONOR LEBANESE PM AND PARTY WHERE HE SAW GOK OFFICIALS. FONMIN UNDERSECRETARY RASHID SAID MATTER ENTIRELY IN HANDS ATIQI AND ADVISED CHARGE DISCUSS MATTER DIRECTLY WITH ATIQI IF IT WAS URGENT.

7. SINCE PROBLEM URGENT, AT LEAST AS FAR AS ANDERSON AND HOFFMAN CONCERNED, CHARGE APPROACHED ATIQI AND EXPLAINED MATTER. CHARGE SAID AS FAR AS HE AWARE, ANDERSON AND HOFFMAN HAD DONE NOTHING WRONG AND WERE ONLY CARRYING OUT ORDERS OF COMPANY. NO REASON WHY THESE INDIVIDUALS SHOULD SUFFER WHEN ROOT OF PROBLEM WAS REALLY ONE WITH COMPANY -- AND THAT WAS BASICALLY QUESTION OF KUWAITI/SAUDI RELATIONS.

8. ATIQI SAID HE HAD BEEN WORKING WITH GETTY FOR SEVERAL
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YEARS AND THEY MUST REALIZE THAT SINCE THEY LOCATED IN KUWAIT THEY HAD TO OBEY KUWAITI LAW. CHARGE AGREED, BUT SAID COMPANY WAS SAUDI CONCESSION AND HAD TO OPERATE AS SAUDIS DIRECTED. ATIQI SHOOK HIS HEAD AND SAID SAUDIS WERE VERY SLOW AND HE WAS FED UP. COMPANY WAS TRYING TO SOW ILL WILL BETWEEN KUWAITIS AND SAUDIS AND THEY MUST SUFFER FOR IT. HE DID NOT WANT TO EXPEL CHASE, HE WAS COOPERATIVE AND DOING HIS BEST, BUT ANDERSON AND HOFFMAN WOULD HAVE TO GO. HE ADDED, "NEXT TIME, MAYBE CHASE WILL GO." WHEN CHARGE POINTED OUT THAT THESE MEASURES WOULD SEVERELY AFFECT COMPANY OPERATIONS, ATIQI SUGGESTED THAT MR. GETTY SHOULD COME OUT AND DEAL WITH PROBLEM. HE PROCEEDED TO BLAME GETTY FOR RECENT OIL SPILL, INADEQUATE EQUIPMENT TO CONTROL POLLUTION, NON-COOPERATION, ETC. RE SCHOOLS, HE SAID GETTY DIDN'T HAVE TO TAKE EVERYONE IN, BUT THEY SHOULD NOT PUT OUT THOSE STUDENTS ALREADY THERE. HE INDICATED HE HAD

RECIEVED MANY PETITIONS FROM KUWAITIS COMPLAINING ABOUT THEIR
TREATMENT BY GETTY.

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C O N F I D E N T I A L SECTION 2 OF 2 KUWAIT 2170/2

9. IN RESPONSE TO APPEAL BY CHARGE TO DELAY EXPULSION OF
ANDERSON AND HOFFMAN FOR A WHILE TO SEE WHAT COULD BE WORKED OUT,
ATIQI SAID HE WAS NOT PREPARED TO MAKE ANY CHANGE IN THE
DECISIONS HE HAD MADE.

10. COMMENT: ACCORDING TO CHASE, THERE IS CONSIDERABLE KUWAIT/
SAUDI TENSION NEAR MINA SAUD. SAUDI POLICE ARE KNOWN TO
MAKE OCCASIONAL FORAYS INTO KUWAITI TERRITORY DURING THE NIGHT,
MAKE ARRESTS AND RETURN TO SAUDI ARABIA. FEELINGS STARTED TO
RISE WHEN KUWAIT DEFEATED SAUDIS IN FOOTBALL (SOCCER) SEVERAL
WEEKS AGO. KUWAITIS TOOK IT EASY FOR A WHILE, BUT STARTED IN
THEIR HARRASSMENT AGAIN AT THE KHAFJI MEETING. SINCE THEN
TENSION HAS INCREASED TO POINT WHERE THERE CLASHES ARE
POSSIBLE.

11. IT SEEMS OBVIOUS THAT KUWAITIS ARE TRYING TO RESOLVE THEIR
PROBLEMS WITH THE SAUDIS BY GETTING TOUGH WITH GETTY. ANDERSON

AND HOFFMAN APPEAR TO HAVE BEEN CHOSEN FOR EXPULSION BECAUSE
THE MINISTER FELT HE HAD TO TAKE SOME ACTION AND HE DIDN'T
WANT TO EXPELL CHASE. IF ALL THREATENED STEPS ARE TAKEN, MANY
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PERSONNEL WILL HAVE TO LEAVE SHORTLY AND GETTY WILL BE UNABLE
TO CONTINUE OPERATION.

12. ADDITIONAL COMPLICATING FACTOR IS RECENT ACCIDENT OF
GETTY DIVER (GERMAN NATIONAL). THERE ARE REPORTS THAT CAUSE
OF DEATH NOT ENTIRELY CLEAR AND GOK UNDERTAKING INVESTIGATION.

13. SINCE ATIQUI HAD TURNED DOWN INFORMAL EMBASSY APPROACH, WE DO
NOT RPT NOT BELIEVE THAT DIPLOMATIC NOTE AT THIS POINT WOULD
BE HELPFUL. MAY BE POSSIBLE WORK OUT ARRANGEMENT WHEREBY ANDERSON
LEAVES AND LATER RETURNNS. IN ANY CASE WE WILL BE IN CLOSE
TOUCH WITH GETTY AND REPORT DEVELOPMENTS.

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